



House of Commons Education Committee

A plan for an adult skills and lifelong learning revolution: Government Response to the Committee's Third Report

Third Special Report of Session 2019–21

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The Education Committee

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Third Special Report

On 19 December 2020 the Education Committee published its Third Report of Session 2019–21, *A plan for an adult skills and lifelong learning revolution* (HC 812). The Government's response was received on 22 February 2021. The response is appended to this report.

In both responses, the Committee's recommendations are shown in **bold** type, and the Government's responses are shown in plain type.

Appendix: Government Response

1. The Education Committee published its report, 'A plan for an adult skills and lifelong learning revolution' on 16th December 2020. This document sets out the Government's response to the Committee's report. The Committee report did not number its recommendations to set them apart from the Committee's conclusions but are identified by italic text in the report. The numbering of recommendations below is based on the order they appear in the report with the relevant paragraph number in the report outlined underneath in the response.

Introduction

2. The Government welcomes the Education Committee report on adult skills and lifelong learning following its inquiry on 26 March 2020. We have considered the findings and recommendations of the report carefully and have responded to all the Committee's recommendations below.

3. This Government is committed to build a strong offer for adults, and our adult skills system seeks to increase productivity, support employment, and promote social inclusion. Adults are a diverse group, with a variety of needs and motivations and our offer reflects this. Adult skills are key in supporting the economy and tackling disadvantage, and we fully understand that this is important now more than ever, as people live longer, technological changes shake up the jobs market and as we look to recover from the impacts of covid-19.

4. The Government recognises the economic, social, and wellbeing benefits of lifelong learning outlined in the Committee report, and in September 2020 the Prime Minister announced the Lifetime Skills Guarantee, which will help adults develop new skills and find new opportunities at every stage of their life.

5. Subsequently, we published 'The Skills for Jobs: Lifelong Learning for Opportunity and Growth' White Paper¹ in January 2021, making it our mission to make sure everyone has the skills which allow them to get a good job. In this, we set out that through the Lifelong Loan Entitlement, we will provide individuals with a loan entitlement, equivalent to four years of post-18 education from 2025 to use over their lifetime. The Lifelong Loan Entitlement will deliver a major transformation in further and Higher Education (HE). It will create a more efficient and streamlined funding system, make it easier for students to navigate the options available and encourage provision to better meet the needs of people, employers and the economy.

1 [Skills for jobs: lifelong learning for opportunity and growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/white-papers/skills-for-jobs)

6. As we address the challenges presented by covid-19, it is vital that we support adults, especially those working in sectors directly affected by covid-19, to attain the skills that will be needed in the economy of the future.

7. In response to covid-19, the Government has

- i. Introduced the Plan for Jobs, which includes support for apprenticeships; traineeships; careers information, advice and guidance; and Sector Based Work Academy Programmes.
- ii. Introduced the Skills Toolkit² in April 2020 and expanded this in September 2020, offering over 70 courses which will help people stay in work or take up new opportunities.
- iii. We are investing £2.5bn (£3 billion when including Barnett funding for devolved administrations) in the National Skills Fund. This is a significant investment and has the potential to deliver new opportunities to generations of adults who may have been previously left behind.
- iv. From April 2021 and as part of the Lifetime Skills Guarantee, we will be supporting any adult aged 24 and over who wants to achieve their first full level 3 qualification to access around 400 fully funded courses. We will be investing £95 million over the current Spending Review period for the level 3 adult offer. This will include giving providers the support they need to scale-up level 3 provision and meet the needs of learners as we build back better from the pandemic.

8. The Government is committed to removing barriers to adult skills and education. This includes through research and analysis into learner motivations and behaviour. Data is regularly published on gov.uk showing adult participation in learning and learner outcomes in the FE and Skills sector, including apprenticeships.³ Surveys, including the *Labour Force Survey*, *Employer Skills Survey* and *Learning and Work Institute Participation in Learning Survey*, capture participation in wider training.⁴ The insights from these and the comprehensive user engagement undertaken as part of the National Retraining Scheme, have produced a strong foundation for developing the National Skills Fund and other adult skills reforms. The Department will also be looking to address some of the participation challenges as part of a communications strategy to be delivered in 21–22.

9. The findings presented by the Committee and the evidence provided throughout the inquiry have been, and will continue to be, helpful in developing and delivering a sustainable, ‘future-proof’ adult landscape that will help everyone to get the skills they need at every stage in their lives.

2 [The Skills Toolkit – Free digital courses to help you progress in work and boost your job prospects \(campaign.gov.uk\)](https://www.gov.uk/government/campaigns/skills-toolkit)

3 [Further education and skills, Academic Year 2019/20 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://explore-education-statistics.service.gov.uk)

4 including that funded by individuals and employers.

Response to the Committee's recommendations

Why adult skills and lifelong learning matters

1) *The Government must commission analysis to identify where the nation's immediate and longer-term skills needs lie. This should be regularly updated, as real-time labour markets data is essential for ensuring that reforms to adult skills and lifelong learning are properly linked to skills needs.*

(Response to recommendation 1, paragraph 10)

10. We are already undertaking analysis through numerous means to help determine immediate and longer-term skills needs.

11. As announced in September 2020, the new Skills and Productivity Board will provide expert analysis of national skills needs to inform government policy. The independent board, composed of labour market and skills economists, is being commissioned by government ministers to provide evidence and analysis that addresses the most pressing gaps in our knowledge of the labour market. Building on the existing evidence, it will consider which skills and training add the most value to the economy, where the key skills mismatches are both now and in the future, and which courses return the best earnings for both adults and young people. The Education Secretary will use the Skills and Productivity Board's evidence to inform policy decisions.

12. The Department for Education manages the Employer Skills Survey,⁵ the only national survey of employers that provides comprehensive and robust information on employers' skills needs, their interaction with the skills system, and their investment in training. The survey collects highly detailed data from employers about vacancies they are struggling to fill, what specific skills are lacking from applicants, and what skills their current staff need to develop. Data from the survey is publicly available, with current employer skill needs available at local geographies and broken down by detailed industrial and occupational classifications. In addition to informing the Department for Education's initiatives, the data is used by other government departments, academics, sector bodies, and local partners such as Skills Advisory Panels to help understand labour markets and plan skills development.

13. In addition to the Employer Skills Survey, which asks employers about current skills issues, the Department for Education also manages Working Futures,⁶ which provides future UK labour market and skills projections, by sector and occupation, for the period 2017–2027. It includes results for the devolved administrations and English regions. Its objective is to provide useful labour market information that can help to inform policy development and strategy around skills, careers and employment, for both policy makers and a wider audience.

14. The Department also funds the Labour Market Information (LMI) for All service,⁷

⁵ [Employer skills survey 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/employer-skills-survey-2019)

⁶ [Labour market and skills projections: 2017 to 2027 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/labour-market-and-skills-projections-2017-to-2027)

⁷ [LMI For All – LMI For All](https://www.gov.uk/government/statistics/lmi-for-all)

which was originally developed in response to the Government's open data agenda to maximise the use of public data. LMI for All is an impartial service which connects and standardises existing national sources of high quality and reliable LMI. The service aims to provide individuals and careers advisers with the information they need to make informed careers decisions about their education, training and employment options. Users of the service include schools, colleges, universities, local authorities, public bodies, other government departments, the National Careers Service, and web and app developers such as BBC Bitesize.

15. As part of the service, LMI for All has also started to pilot the collection and dissemination of job vacancy data from online job portals. This data will be made freely available through LMI for All's application programming interface (API) for users to access and use. By updating this dataset regularly, it is hoped to create a close to real-time set of vacancy data. The LMI for All service is also linked up with the BEIS-led cross-government group on online job vacancy data, which includes a number of other government departments and Nesta.

16. As an example of how the above analysis is used to inform policymaking, research and user engagement undertaken for the National Retraining Scheme has helped inform initial offers funded from the National Skills Fund. Through the Employer Skills Survey 2019, a shortage of technical skills was identified by employers. The skills that are prioritised and delivered for the Skills Bootcamps will be based on the demand for skills by local employers and have therefore been developed with input from a wide range of stakeholders, including local areas, employers, industry bodies and Further Education (FE) providers. Going forward, the Government plans to consult on the National Skills Fund in Spring 2021 to ensure that we develop a fund that helps adults learn valuable skills, and the list of funded level 3 qualifications and Sector Subject Areas in scope will be kept under review to ensure they adapt to the changing needs of the economy, ensuring we deliver an effective offer for adults and employers.

The need for a national strategy

2) The Department must set out an ambitious, long-term strategy for adult skills and lifelong learning. This must be a comprehensive and holistic vision for ASALL in its entirety—piecemeal adjustments and one-off initiatives will not deliver the reform needed. These reforms must be underpinned by a shift to more flexible, modular learning so that adults can 'hop on and hop off' learning pathways. And we will need much better careers advice to help adults find the best learning opportunities for them.

(Response to recommendation 2, paragraph 16)

17. In July 2020, the Secretary of State for Education said there needed to be a major shift in how we treat FE as it is vital if we want our country to grow economically and our productivity to improve. As we address the challenges presented by covid-19 and prepare to seize the opportunities offered up by leaving the European Union, the Government agrees that adults should be given support at this time so that they can both achieve their full potential and support wider economic recovery.

18. In response to covid-19, priority has been placed on initiatives to support the impacts

of this such as the Skills Toolkit and the Skills Recovery Package, which included support via Apprenticeships, Traineeships, careers information through the National Careers Service and Sector Based Work Academies.

19. Longer term, the Skills for Jobs White Paper sets out how we will reform adult learning, addressing skills gaps, apprenticeship improvements, and strengthening links between employers and FE providers. Provision will be flexible, making sure that people can access training and learning throughout their lives and that they are well-informed about what is on offer through great careers support.

20. Our reforms will deliver the Prime Minister's Lifetime Skills Guarantee, investing in top-quality provision funding upgrades to FE colleges across the country and improving our already successful apprenticeships. We will provide a Lifelong Loan Entitlement, the equivalent of four years of post-18 education from 2025. This will be a radical change and we will transform the funding system, so it is just as easy to get a loan for a higher technical course as it is for a full-length university degree. To enable greater flexibility, we will take action to incentivise easier and more frequent credit transfer between institutions. On top of creating more modular provision, we also want to build on the online learning delivered by the FE sector during the covid-19 pandemic.

21. We will ensure that everyone has access to education and training, and the £2.5 billion National Skills Fund, through which we will deliver key elements of the Prime Minister's Lifetime Skills Guarantee, represents an ambitious and significant investment in FE. We have already announced the level 3 adult offer for any adult looking to achieve their first full advanced qualification, and the 12–16-week Bootcamps, which are a flexible way to gain high-quality skills that are relevant to employers.

3) The Department must devolve National Careers Service funding to enable local and combined authorities and local enterprise partnerships to co-design and promote locally relevant information, advice and guidance. The National Careers Service should provide more robust data on employment and learning outcomes to enable adults to make more informed decisions about their learning and development. The Department must also fund an advertising campaign to promote awareness of statutory entitlements.

(Response to recommendation 3, paragraph 23)

22. Careers guidance is vital in helping to develop talents and opportunities for all, so that people have the skills they need and employers want post-Brexit and post-pandemic.

23. There are no plans to devolve careers budgets; all National Careers Service contractors are required to establish relationships with Mayoral Combined Authorities, Local Enterprise Partnerships and other regional stakeholders. This includes a requirement to agree and regularly review key performance indicators with MCAs and LEPs.

24. The National Careers Service is delivered in the community by contractors who work closely with a range of stakeholders, including Department for Work and Pensions, Jobcentres, FE providers, mayoral combined authorities, local authorities and Local Enterprise Partnerships. All of those organisations are also able to disseminate information and advice about learning and funding, so it is erroneous to suggest that the only source

of information to adults is the National Careers Service—careers information, advice and guidance forms part of a much larger and wider spectrum of learning provision.

25. The redesigned National Careers Website⁸ contains a wide range of information and advice, including over 800 career profiles, tips on careers planning, careers and skills assessment tools and the Course Directory, where FE providers can upload their course details and has already successfully reached millions of people. Between January 2020 and December 2020, the website had 21.9 million views from over 4 million users, and between April 2019 and March 2020, the Helpline carried out over 130,000 activities with young people, adults and intermediaries.

26. Work will continue on the website with user input to develop more online tools to help make it easy for adults to access information on courses, improve their job search skills and update their CVs and their interview skills. The revamped website will bring together all the learning and careers routes available to people, along with improved content on work experience, the job market, and applying for roles. Underpinning this will be improved and updated local labour market information.

27. The Department has carried out behavioural insights research which shows that while raising awareness of skills offers is an important part of the initial steps on the customer journey, on its own, it will not be effective in increasing participation among adults. Adults, particularly those with lower skills, face significant physical and psychological barriers to learning. To drive uptake of Government funded or endorsed learning, we need a behaviour change strategy which sets a clear line of sight between training and a better job, delivered through joined up service delivery, communications and engagement across all customer touch points on the journey. We also know that we need to do more to simplify the complex landscape, enabling adults to understand their choices, judge which is most appropriate to their needs and job aspirations, and then be directed to their next steps. The Department is exploring these challenges and will be looking to address them in a communications strategy to be delivered in 21–22, whether through no-cost delivery with the support of our stakeholders, or through paid-for marketing activity.

4) We recommend the Department work with the relevant sector bodies to develop a modular offer for skills qualifications at all levels. This should be linked to those qualifications and courses which meet the skills needs of the nation. The Department must also work with the sector to devise a funding approach that makes it economically viable for colleges and other providers to offer module-based learning.

(Response to recommendation 4, paragraph 27)

28. The Government recognises the value of flexible and modular learning and in addition to the increased flexibility of the HE loans that are noted in the Committee report, we are incorporating this into many of the provisions available to adults—some examples within individual policies include those set out below.

29. Some provisions are flexible by design, such as the Sector Based Work Academy Programmes which are short in duration. Level 4–5 Higher Technical Qualifications (HTQs) recommend to the provider smaller qualifications and modules, and approved

HTQs are free to follow a modular structure. The Education and Skills Funding Agency (ESFA) administered Adult Education Budget (AEB) also enables more flexible tailored programmes of learning to be made available, which may or may not require a qualification, to help eligible learners engage in learning, build confidence and/or enhance their wellbeing.

30. In our second stage consultation on the review of post-16 qualifications at level 3 and below,⁹ we proposed that modular delivery be one of the core design principles for adult qualifications. The level 3 Qualifications Review consultation also proposes that competence is assessed at the end of a course, rather than be done modularly. This will give employers confidence the student has achieved a level of competence in their chosen occupation. We are also exploring how these principles would apply to level 2 and below qualifications for adults through our call for evidence on post-16 level 2 and below study.¹⁰

31. Traineeships support 16–24-year-olds (or 25-year-olds with an Education, Health and Care Plan) who are not ‘job ready’ into an Apprenticeship or other employment. They are flexible because they meet the needs of the individual within a framework of work preparation skills, English, maths and digital skills, and work experience with an employer. In 2020 to 2021, traineeships are more flexible. They can now last up to a year for young people who need that extra time. A young person qualified up to Level 3 is eligible and a traineeship can include occupationally focussed learning that gives the young person a clear line of sight to an apprenticeship or available employment opportunities.

32. In Skills Bootcamps, the lead suppliers involved will be required to demonstrate how training will be delivered flexibly, and the Department has asked through the tender process that Bootcamps are available to those who are in work, claiming benefits, or have caring responsibilities.

33. Furthermore, as set out the ‘Skills for jobs: lifelong learning for opportunity and growth’ White Paper, with the Lifelong Loan Entitlement we will provide individuals with a loan entitlement, equivalent to four years of post-18 education from 2025 to use over their lifetime. The loan entitlement will be useable for modules at higher technical and degree levels (levels 4 to 6) regardless of whether they are provided in colleges or universities, as well as for full years of study. It will make it easier for adults and young people to study more flexibly—allowing them to space out their studies, transfer credits between institutions, and partake in more part-time study.

34. The very nature of flexibility means we are moving even further away from a ‘one size fits all’ approach, and so whilst modular qualifications is part of this, we are striving towards a variety of alternative delivery models to meet the diverse needs of adults.

9 [Review of post-16 qualifications at level 3 in England: Second Stage, Government consultation](#) (Department for Education, 2020).

10 [Post-16 study at level 2 and below: call for evidence](#) (Department for Education, 2020).

Funding for adult education

5) For its 2021 Spending Review bid, the Department must properly cost what level of Adult Education Budget increase is needed to meet the urgent and overdue reforms we set out in this report. An ambitious, long-term strategy for adult education will require an ambitious funding settlement. The Department must prepare a case for a three-year funding settlement for adult education.

(Response to recommendation 5, paragraph 33)

35. We are continuing to invest in education and skills training for adults through the AEB (£1.34bn in 2020/21).

36. Currently, approximately 50% of the AEB is devolved to 7 Mayoral Combined Authorities (MCAs) and the Mayor of London, acting where appropriate through the Greater London Authority (GLA). These authorities are now responsible for the provision of AEB-funded adult education for their residents and allocation of the AEB to providers. The ESFA will continue to be responsible for the remaining AEB in non-devolved regions.

37. Colleges and training providers continue to have the freedom and flexibility to determine how they use their AEB, working with stakeholders including Local Enterprise Partnerships and their Skills Advisory Panels to determine what the appropriate distribution of funding should be to best meet local needs.

38. The Skills for Jobs White Paper outlines our long-term strategy for adult education. See paragraphs 16–20 for information on this and on the National Skills Fund which represents a substantial investment into FE.

39. We are also providing £95m for year one of the Level 3 Adult Offer, which is part of the Lifetime Skills Guarantee. This includes a per-qualification funding uplift to support providers to rapidly scale up their level 3 provision.

40. The government appreciates the importance of adult education to improving people's life chances. Funding beyond 2021–22 will be considered as part of a wider Spending Review later this year which will include full costings.

6) The Department must review funding for adult skills and lifelong learning to see how the various funding streams can be consolidated and made more streamlined and less bureaucratic for providers.

(Response to recommendation 6, paragraph 34)

41. Overall, as part of the Skills for Jobs White Paper, we outline our ambitions for a simplified and better targeted funding system. We want to create a simpler funding system that gives individuals access to high-quality education and training throughout their lives, ensures providers receive coherent and transparent funding, and enables the delivery of the skills our economy needs at both national and local level, providing value for money for the taxpayer and levelling up across the country. Our forthcoming consultation will explore how funding can be allocated in a simpler way and will explore how providers should be held accountable for the outcomes achieved with that funding to ensure value for money for the taxpayer, while maintaining autonomy and reducing administrative burdens.

7) We recommend that the Government develop Individual Learning Accounts, drawing on the lessons learnt previously. These should be funded through the National Skills Fund, and initially should be aimed at unemployed adults and adults in work earning a low wage.

(Response to recommendations 7, paragraph 39)

42. In his speech on 29 September 2020, the Prime Minister announced plans to introduce a Lifelong Loan Entitlement as part of the Lifetime Skills Guarantee. As set out in the ‘Skills for jobs: lifelong learning for opportunity and growth’ White Paper, we will provide individuals with a loan entitlement, equivalent to four years of post-18 education from 2025 to use over their lifetime. The Lifelong Loan Entitlement means people will have a real choice in how and when they study so that they can acquire new life-changing skills.

43. We will consult on the detail and scope of the Lifelong Loan Entitlement later this year. This will set out proposals for how and when we will be introducing it. Where necessary, we will put forward legislation in this parliament.

44. We also plan to consult on the National Skills Fund in spring 2021. We are committed to ensuring that the fund helps adults learn valuable skills needed to thrive in the labour market.

45. The National Skills Fund is already being used to fund the Level 3 Adult Offer, which is part of the Lifetime Skills Guarantee, from April 2021. This offer will enable any adult age 24 and over who is looking to achieve their first level 3 qualification to access to access a free, fully funded course in a wide variety of sector subject areas.

46. The National Skills Fund will also provide funding Skills Bootcamps this year. Skills Bootcamps are free, flexible courses of just 12–16 weeks, giving adults aged 19 and over the opportunity to build up sector-specific skills and fast-track to an interview with a local employer. We will invest a further £43m from April 2021, to increase the national coverage of this offer.

8) The Department should provide additional funding for the digital skills entitlement, and should ensure that any future statutory entitlements coming out of the Adult Education Budget are properly costed and funded. This should be clearly linked to forecast participation levels.

(Response to recommendation 8, paragraph 42)

47. The new digital skills entitlement and our digital reforms will refocus funding from out-of-date qualifications to new qualifications based on new national standards. This will ensure that the £1.34 billion AEB includes funding of high-quality digital provision so that adults can gain the skills they need for work, an apprenticeship or further learning.

48. In non-devolved areas, the AEB is allocated by the ESFA to colleges and training providers who have the freedom and flexibility to determine how they use their AEB and therefore how much they decide to spend on digital skills. They do this working with stakeholders including Local Enterprise Partnerships and their Skills Advisory Panels to determine what the appropriate distribution of funding should be to best meet local needs.

49. In areas where the AEB is devolved, the Mayoral Combined Authorities and the Mayor of London are responsible for making provision for the funding of the digital entitlement as part of their devolution deal.

50. The government appreciates the importance of digital skills in improving people's life chances. We are looking carefully at FE funding in preparation for the forthcoming Spending Review.

9) The Department should remove funding restrictions for first full level 2 qualifications, restoring funding for adults who are over 24 and employed. The Department must fund a promotional campaign to ensure no adult remains unaware of what qualifications and funding they are entitled to.

(Response to recommendation 9, paragraph 47)

51. The Government provides full funding for specified qualifications in a range of English and maths courses up to and including level 2 through the Adult Education Budget. In addition, the AEB also provides full funding for eligible learners aged 19–23 for a first full Level 2.

52. The AEB also provides fully funded training up to Level 2 for unemployed people, or individuals in receipt of a low wage, aged 19 and over, with co-funding (approximate 50% government contribution) for other eligible learners.

53. With regard to a promotional campaign, please see paragraph no. 26 and also the response to recommendation 12, which recognise the need to drive uptake of Government funded or endorsed learning through communication strategies and addresses our plans going forward.

10) The Department should extend the entitlement to a free level 3 qualification further, so that unemployed adults who already have a level 3 are fully funded to retrain at level 3 in priority skills sectors.

11) Local enterprise partnerships, working with local and combined authorities, should be able to add to the Department's list of fully funded level 3 qualifications, where that qualification meets local or regional labour market needs. The range of adult education courses should take into account local and regional adult education needs and the regional industrial strategy, where it exists.

(Response to recommendations 10 and 11, paragraphs 52 and 53)

54. We welcome the Committee's support for the Level 3 Adult Offer, which is part of the Lifetime Skills Guarantee and funded from the National Skills Fund. As stated in the recommendation, from April 2021, any adult age 24 and over who is looking to achieve their first level 3 will be able to access a free, fully funded course. This will provide vital support to adults who were unable to access level 3 qualifications earlier in their lives, enabling them to gain new skills, improve their prospects in the labour market, and reach their full potential.

55. The Level 3 Adult offer includes valuable qualifications that will provide the skills needed for adults to thrive in a large number of industries, such as digital, engineering,

health and social care, childcare, conservation, agriculture and construction (among many more). The offer also includes qualifications that will support businesses in any industry, such as level 3 courses in accountancy and management.

56. We will keep the qualifications list and sector subject areas in scope under review to ensure that it responds to changing labour market needs. Awarding organisations, like Mayoral Combined Authorities and the Greater London Authority can suggest additions to the list where they align with labour market needs and meet the published criteria. Alongside wage outcomes, evidence submitted as part of this may include the Local Skills Reports produced by the Skills Advisory Panels (SAPs), other regional skills strategies or plans, including links to the Industrial Strategy. In the longer-term, a key source of evidence may be employer-led Local Skills Improvement Plans, which will provide a clear articulation of labour market skills needs in local areas. Business representative organisations will work closely with local providers to co-create the first Local Skills Improvement Plans in a small number of Trailblazer areas in 2021–22.

57. For eligible adults who have previously attained a full level 3 qualification, Advanced Learner Loans provide tuition fee support. Eligibility for these loans does not depend on income and there are no credit checks, and the loan (plus any interest) is only paid back when the learner has finished or left their course and only when their income is over the repayment threshold. This helps meet up-front fees, removing one of the main barriers to learning.

12) We recommend the Department fund a national promotional campaign to ensure all eligible adults are aware of the free learning they are entitled to. The Department should work with the sector to identify innovative ways to support adults to take up the new entitlement, such as incorporating accreditation of prior learning, or developing shorter qualifications that can be achieved over one academic year. The Department should work with the Department for Work and Pensions (DWP) to ensure the DWP are providing appropriate guidance and support for unemployed adults to take up advanced skills qualifications, including the expanded level 3 entitlement.

(Response to recommendation 12, paragraph 55)

58. The Level 3 adult offer includes a number of shorter qualifications with lower guided learning hours, which may be more suited to the needs of adult learners. Many of these can be achieved within one academic year. AEB funding rules—which apply to the Level 3 adult offer—include a requirement that providers must take into account prior learning and assess whether any prior learning negates the need for a learner to take the full qualification.

59. Throughout the covid-19 pandemic, the Department for Education has delivered a communications campaign to drive uptake of The Skills Toolkit, an online platform which packages up a selection of high quality, flexible free online courses in the skills employers need. Signposting to this free resource has been crucial at a time when adults have needed free tools to boost their skills from home. As well as promoting via careers advisers, we worked closely with the Department for Work and Pensions to deliver this campaign

and support the customer journey—for example by utilising the jobhelp website, local Jobcentre Plus social media accounts and DWP newsletters to welfare and employment support advice groups to signpost to The Skills Toolkit.

60. The Department is also now starting to ramp up communications across new adult skills offers under the National Skills Fund, such as Skills Bootcamps and the Level 3 adult offer, and will continue to use these opportunities to remind adults of statutory entitlements to free learning.

61. As addressed in the response to recommendation 3, the National Careers Service provides free, impartial, professional careers advice and guidance to adults in England, online, via telephone, and in the community. Careers advisers also target more in-depth support to specific priority groups, who may be further away from the job market. The National Careers Service works closely with a range of stakeholders at local and national level, including DWP, where there is a long history of collaboration with work coaches, to add value by offering specialist careers advice to those who need it, and providing contribution to internal DWP work coach guidance on when skills support may be the right option.

62. Moving forward, the new Lifetime Skills Guarantee—including the start of the Level 3 adult offer in April 2021—presents an opportunity to expand our partnership with DWP to join up communications and delivery, not only to promote a range of provision that is available to adults for free, where relevant to their individual circumstances, but to support more sustainable behaviour change. Department is also working with DWP to develop a cost-effective solution to deliver these objectives, whether through no-cost communications with the support of our stakeholders, or through paid-for marketing activity.

63. In addition to activity run by the Department for Education, local providers are responsible for advertising their courses and reaching out to their local community, including letting people know what is available.

Adult community learning

13) The Department's lifelong learning strategy must include an ESOL element. The Department should take a lead role for adult ESOL strategy to ensure a more joined up approach to cross-Department ESOL funding and objectives. The Department must undertake analysis to assess current and longer-term demand for adult ESOL provision. Additional funding should then be allocated to areas with highest demand for ESOL provision.

(Response to recommendation 13, paragraph 66)

64. This government remains committed to the manifesto commitment to boost English language teaching to empower existing migrants and help promote integration into society, as we know that language skills are crucial to help people integrate into life in England, as well as to break down barriers to work and career progression. The government already makes substantial funding available for English language through the AEB, community-based provision, and specific support for some refugees, and in 2019/20, the Department

for Education supported 116,100 adult learners to improve their levels of English through fully or part-funded ESOL. We are keen to ensure our funding offers the best value for money for those learning English and the taxpayer. We will provide an update on ESOL in due course.

65. Adults in England are eligible for fully funded ESOL provision through the AEB if they are unemployed, looking for work and in receipt of certain benefits, or if they are employed and in receipt of a low wage. All other AEB-eligible learners are co-funded, with the Government contributing approximately 50% of the course cost.

66. Where the AEB is devolved, the MCAs/GLA are responsible for the provision of adult education and allocation of the AEB in their local areas, and to plan, with local partners, which ESOL courses they deliver to meet local needs. ESFA is responsible for the remaining AEB in non-devolved areas and colleges and training providers can determine how they use their AEB to meet the needs of their communities.

14) The Department should work with the sector to assess what additional funding is needed to better support adult learners with SEND. The Department should then introduce a funding premium for adult learners with SEND to ensure there is fully inclusive, accessible provision at all levels.

(Response to recommendation 14, paragraph 69)

67. The AEB funds colleges and providers to help adult learners to overcome barriers which prevent them from taking part in learning. This includes Learning Support, to meet the additional needs of learners with learning difficulties and/or disabilities.

68. We want all adults, no matter what their special educational needs or disabilities, to reach their full potential and receive the right support to succeed. As outlined in the Skills for Jobs White Paper, we will ensure those with special educational needs and disabilities continue to gain direct work-related skills alongside maths and English to increase employability.

69. We support students with Education, Health and Care plans to the age of 25 with individuals studying the same programmes as their peers where they have the capability to do so. The cross-government SEND review, which is currently underway, will consider the support needed for young people with SEND in post-16 provision.

70. We recognise that learners with SEND are overrepresented at lower qualification levels and so we are seeking views through the call for evidence on post-16 level 2 and below how provision should be improved to meet the needs of these learners.

15) We recommend that childcare grants and Parents' Learning Allowance are made available to part-time learners studying for a Higher Education qualification. The Government should look at where childcare might be a barrier and extend the 30 hour per week universal offer to unemployed or low-income adult learners, where the lack of such provision would prove to be a barrier towards training and employment.

(Response to recommendation 15, paragraph 73)

71. Currently, students attending full-time courses can apply for support towards their childcare costs as the requirement to study on a full-time basis means that they will have less scope to make alternative arrangements to fund these costs e.g. through work. Students undertaking part-time courses can choose to study at the rate that suits them best and vary their intensity of study from year to year. This flexibility gives students the opportunity to combine work and study which is why we have not extended childcare support to students who have chosen to study on a part-time course.

72. The Government has sought to improve access to part-time study by introducing full-time equivalent loans for living costs for students attending honours degree and equivalent level courses since 2018/19. The Government stated its intention to review part-time loans for living costs within five years of its 2016 consultation on part-time loans for living costs, and as such is intending to review the part-time loan for living costs in 2021.

73. The AEB also funds colleges and providers to help adult FE learners to overcome barriers which prevent them from taking part in learning. This includes Learner Support to support learners with a specific financial hardship. Providers have discretion to help learners meet costs such as transport, accommodation, books, equipment and childcare.

74. Supporting parents transitioning into work is important, that is why the Government offers a package of schemes to help with the cost of childcare. All three- and four-year olds, and the most disadvantaged two-year-olds, benefit from the 15-hour universal free childcare entitlement, regardless of whether parents are in work or not. Parents on a low income may also be eligible for 85% of the childcare costs supported through Universal Credit (UC).

75. The 30 hours free childcare offer aims to support working families with the cost of childcare, helping parents back into work, or to work more hours should they wish to.

76. To qualify for 30 hours free childcare, parents need to be earning the equivalent of 16 hours a week at the minimum or living wage. This ensures that self-employed parents, or parents on zero-hour contracts are not excluded from 30 hours if they can meet this income requirement.

77. Working families may also qualify for Tax-Free Childcare, which can help pay for childcare for children from 0–11 (or up to 16 if disabled) and is worth up to £2,000 per child each year (or up to £4,000 if the child is disabled).

16) The Department must work with the adult education sector to develop a better understanding of what data exists on community learning and where any gaps might be. This should include mapping and regularly publishing data on how many community learning centres exist nationally and where they are located. The Department must then set out an ambitious plan for community learning provision in every town, which should seek to make use of existing buildings. The Department should work with the Ministry for Housing, Communities and Local Government (MHCLG) to align its community learning strategy with MHCLG funding to rejuvenate town centres and high streets.

17) The department must make the case for a three-year funding settlement for community learning at the next spending review. The Department should review and consolidate the many community learning funding streams to reduce unnecessary bureaucracy for providers.

(Response to recommendations 16 and 17, paragraphs 80 and 83)

78. The principal purpose of the AEB is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning. Community Learning plays a considerable role within AEB provision of supporting those furthest from the workplace, and in improving the health and well-being of learners.

79. The purpose of Community Learning is to develop the skills, confidence, motivation and resilience of adults of different ages and backgrounds in order to: progress towards formal learning or employment and/or improve their health and wellbeing, including mental health and/or develop stronger communities. The Community Learning national objectives require providers to prioritise disadvantaged learners.

80. The Department collects data via the Individualised Learning Record (ILR) and annual figures are published via an annual Statistical First Release. Community Learning is delivered in nearly every local authority area across England through adult education services, FE colleges, Institutes of Adult Learning and other training providers and voluntary sector organisations. It tends to be run in accessible informal venues, such as libraries, children's centres and community centres.

81. We are working closely with the Ministry for Housing, Communities and Local Government, including in the development of the new UKSPF, as outlined in the response to recommendation 23.

82. The Government has maintained funding for Community Learning within the AEB. The Pound Plus approach, introduced in 2013/14, expects providers to add value to Government's contribution by leveraging additional income (e.g., from fees and sponsorship) and by making cost savings.

83. The government appreciates the importance of adult education to improving people's life chances. Through our FE reforms, we want to ensure we are supporting as best we can all learners, and that includes those who need the most support to progress to more formal learning or employment. Funding beyond 2021–22 will be considered as part of a wider Spending Review later this year.

Employer-led training

18) The Government must support employers to invest in the development of their workforces. The Government should introduce a skills tax credit, for employers who invest in training for workers. This should be tapered so that the tax credit is more generous to employers who provide training for employees with lower prior qualifications.

(Response to recommendation 18, paragraph 92)

84. As part of the current tax system, training expenditure for directors and employees can be claimed as a deduction when calculating taxable business profits, provided that it helps improve the skills and knowledge used in the business. Within the skills system, the Government is supporting employers to make a long-term, sustainable investment in apprenticeship training with the Apprenticeship Levy which is an important part of our aim to raise apprenticeship quality.

85. Apprenticeships are a job with training that can benefit people of all ages and backgrounds at all stages of their careers, including those with low or no prior qualifications. As part of Spending Review 2020, the government made £2.5 billion of funding available for employer-led apprenticeships.

86. The Government provides financial support to businesses to support the training of apprentices by covering 95% of the apprentice training costs incurred by non-Apprenticeship Levy payers (often SMEs), whilst Apprenticeship Levy payers can cover the costs of their apprentices using the funds in their apprenticeship service account. Income from the Apprenticeship Levy is used to fund new apprenticeships for employers that do not pay the Levy, as well as funding existing apprenticeships that started in previous years.

87. The Government has made significant investments in skills and training to help adults build the skills they need to get into work. In the Plan for Jobs, the Chancellor announced funding to increase the scale of traineeships and sector-based work academy placements, incentives for apprenticeships, investment in the National Careers Service, and funding for school/college leavers to study high value courses.

88. At the 2021–22 Spending Review (announced November 2020), the Government announced an additional £375 million investment in adult skills funding to continue the measures in the Plan for Jobs into 2021–22 and deliver the PM’s Lifetime Skills Guarantee which includes funding for all adults to obtain their first full Level 3 qualification (A Level or equivalent) and to expand the employer-led skills bootcamps model across England.

19) We recommend that the Department reverse its decision to cease funding for the Union Learning Fund. To ensure public money is spent as equitably as possible, participation targets should be set mandating that Union Learning funds are split 50/50 between union members and non-union members.

(Response to recommendation 19, paragraph 96)

89. The UK is facing a significant challenge on skills. The impact of covid-19 has compounded the already rapid rate of change of our economy and it is clear that we have a considerable skills gap. This needs to be tackled at scale. That is why we are investing £2.5bn in the National Skills Fund alongside those methods designed to offset the impact of covid through the £500m Skills Recovery Package.

90. It is clear that the Unionlearn model—although it has helped many over the years—has its limitations. In particular, it focuses on helping those in work upskill with only 2% of learners supported being unemployed. The impact of covid-19 on the economy has led to increased unemployment. Our priority, therefore, is to help unemployed adults gain the skills they need to secure new work.

91. While Unionlearn support is open to all, the Unionlearn presence is focused on larger employers with a unionised workforce further limiting its reach (76% of learners supported are trade union members with only 5% of learners self-employed). Given that Unionlearn relies on ULRs and the Unionlearn/trade union network to help individuals into learning, this focus would not be overcome by a simple participation target.

92. We are confident that the National Skills Fund and other measures will help all to access training to gain the type of skills they and the economy needs. It is worth noting

that the study carried out by Exeter University in 2018 estimated that for every £1 of funding, Unionlearn generated an economic return of £12.24. Set against that, a BIS report in 2015 estimated the average rate of return from Government investment in FE was £14 for each £1 invested.¹¹ Direct comparisons are difficult due to differing methodologies but there is no evidence that the return generated by Unionlearn is exceptional or exceeds that of overall Government investment in skills. It is worth noting only £9.5m of the £12m grant provided by DfE makes up the Union Learning Fund used to support individuals in learning. As such, we chose not to continue to support the Union Learning Fund, and instead will use this funding as part of our wider response to provide skills and retraining that will be fully accessible to everyone.

Higher Education

20) The Department must act to stem the decline in part-time Higher Education. Promoting access for part-time students from the most disadvantaged backgrounds must be a priority. Means-tested fee grants should be instated for part-time students from the most disadvantaged backgrounds who study courses in priority skill areas. Maintenance support should be extended to all part-time students whether face-to-face or distance.

(Response to recommendation 20, paragraph 102)

93. The Department agrees that mature students need to study flexibly, and we have taken a number of steps over recent years to encourage more flexible learning, including greater support for part-time learners through up-front loans to meet the full costs of tuition since 2012/13 and full-time equivalent loans for living costs for students attending honours degree and equivalent level courses since 2018/19. We have also removed restrictions preventing graduates getting tuition fee loan funding for a second honours degree in science, technology, mathematics, and engineering taken on a part-time basis.

94. The Government response (March 2017) to the 2016 consultation on part-time loans for living costs made it clear that an extension of part-time loans to distance learners would be subject to having adequate controls in place. The Government stated its intention to review part-time loans for living costs within five years of its 2016 consultation on part-time loans for living costs, and as such is intending to review the part-time loan for living costs in 2021.

95. As the committee notes, the number of adults participating in part-time HE has declined since 2008/09. Much of this decline in part-time entrants to HE has been in courses other than first degrees, such as short courses for institutional credit. There has been a recent increase in the number of entrants to part-time undergraduate degree level study at English HE providers (it has increased from 33,980 in 2016/17 to 44,775 in 2019/20).

96. We recognise that further efforts are needed, and that is why the Prime Minister announced that we will introduce a flexible Lifelong Loan Entitlement as part of the Lifetime Skills Guarantee. The Lifelong Loan Entitlement was one of a number of recommendations the Post-18 and Education and Funding Review made in the Augar

11 [Union learning in facts and figures.pdf](#)
[Further education: measuring the net present value in England - GOV.UK \(www.gov.uk\)](#)

Report which the government has published an interim response to and continues to consider.

97. As detailed above, the Lifelong Loan Entitlement will provide individuals with a loan entitlement to the equivalent of four years of post-18 education to use over their lifetime. The loan entitlement will be useable for modules at higher technical and degree levels (levels 4 to 6) regardless of whether they are provided in colleges or universities, as well as for full years of study. It will make it easier for adults and young people to study more flexibly—allowing them to space out their studies, transfer credits between institutions, and partake in more part-time study.

98. The Lifelong Loan Entitlement will be introduced from 2025, but over the coming years we will take steps to support its full delivery. We will consult on the detail and scope of the Lifelong Loan Entitlement later this year, setting out proposals for how and when we will be introducing it. Where necessary, we will put forward legislation in this parliament.

21) All Higher Education institutions should offer degree apprenticeships. The Department and the Institute for Apprenticeships and Technical Education should set out a plan for speeding up the expansion of degree apprenticeship provision in priority skill sector.

(Response to recommendation 21, paragraph 105)

99. Higher, level 6 plus and degree apprenticeships are an important part of our education and skills system, supporting productivity and driving social mobility by providing people of all backgrounds with a choice of high-value vocational training alongside traditional academic routes.

100. There are now over 130 employer-designed apprenticeships at levels 6 and 7, enabling individuals to pursue fulfilling careers in a range of sectors.

101. All apprenticeships are employer-driven: employers choose the apprenticeship and the training provider that best meets the skills needs of their business. This is important as it ensures that apprenticeships support employers to develop the skilled workforce that they and the economy need to prosper.

102. We therefore encourage more universities to build partnerships with businesses to understand their needs and to offer apprenticeships wherever there is employer demand.

22) We recommend that the Department identify courses at levels 4, 5 and 6 which meet the skills needs of the UK economy. Equivalent or Lower Qualification funding restrictions must then be removed for those courses.

(Response to recommendation 22, paragraph 108)

103. The Skills and Productivity Board has recently been established as an expert committee, tasked with providing independent, evidence-based advice to ministers at the Department for Education on matters relating to skills and their contribution to

productivity. The board will provide expert advice on skills mismatches and how to make sure the courses and qualifications on offer across the country meet the needs of the economy.

104. The funding available for student support is finite and it is necessary to put limits in place to ensure that all eligible students who wish to enter HE for the first time can do so. The Equivalent or Lower-Level Qualification (ELQ) rules prevent those studying for a second HE course at an equivalent or lower level to their qualification from receiving either tuition fee loans or maintenance support for that course.

105. Generally, students who already hold an honours degree are not eligible for any further student support for another undergraduate qualification. However, there are a number of long-standing exceptions to the ELQ rules, for example, certain exemptions apply for medicine, dentistry and ITT that have been in place for several years. Part-time ELQ exemptions for engineering, computer science and technology were introduced in 2015/15, and these were extended to STEM courses in 2016/17. Exemptions for nursing, midwifery, an allied health profession or operating department practice were put in place from 1 August 2018, and exemptions were further extended to pre-registration courses in dental professional subjects and pre-registration postgraduate courses in nursing, midwifery and the allied health professions from 1 August 2018. Additionally, students with an ordinary degree can access limited support to top up an honours degree.

106. Individuals are eligible for apprenticeship funding for qualifications lower than those they already hold if the apprenticeship will lead to the acquisition of substantive new skills. It is the role of the training provider to conduct a thorough assessment of relevant prior learning to ascertain whether the apprenticeship will lead to the development of new skills. It is possible that an individual may already have some of the learning or experience that make up part of the apprenticeship. In such circumstances, where an individual has prior learning relevant to the achievement of the apprenticeship, a provider must reduce the content, price and potentially duration of the apprenticeship. This is to ensure that funds are not used to pay for skills already attained. Where a recognition of prior learning would reduce the apprenticeship duration to below 12 months, this individual is not eligible for apprenticeship funding.

107. The Augar review recommended that “the government should introduce a single lifelong learning loan allowance for tuition loans at Levels 4, 5 and 6” and the “ELQ rules should be scrapped for those taking out loans for Levels 4, 5 and 6”.

108. As set out in the Lifelong Skills for Opportunity and Growth White Paper, published on 21 January 2021, the Lifelong Loan Entitlement will provide individuals with a loan entitlement, equivalent to four years of post-18 education from 2025 to use over their lifetime. We will consult on the scope and detail of the entitlement in early 2021, including seeking views on objectives and coverage, together with aspects such as the level of modularity, how to incentivise and enable effective credit transfer, and whether Equivalent and Lower Qualifications (ELQ) restrictions should be amended to facilitate retraining and stimulate provision.

Combined and local authorities

23) *Funding for the education and skills and employability strands of the new UK Shared Prosperity Fund must at least match those of their predecessor funds, and no region should be worse off. Government must involve local and combined authorities on the design of the UKSPF. Funding must be devolved to combined authorities who are best placed to make decisions about how to allocate funding in the most effective way for their communities.*

(Response to recommendation 23, paragraph 118)

109. Following EU exit, the Government has committed to replacing European Structural Funds via the UK Shared Prosperity Fund (UKSPF). To help local areas prepare over 2021–22 for the introduction of the UKSPF, the government will provide an additional £220m for UK-wide funding to support communities to pilot programmes and new approaches.

110. The Government has set out in the Heads and Terms of the UKSPF that UK-wide UKSPF funding will at least match current EU receipts, on average reaching around £1.5 billion a year. This includes a portion of the fund with bespoke employment and skills programmes that are tailored to local need. These will support improved employment and skills outcomes for those in and out of work in specific cohorts of people who face labour market barriers.

111. We are working closely with colleagues across other government departments including the Ministry for Housing, Communities and Local Government and the Department for Work and Pensions to establish the UKSPF.

112. The new powers in the UK Internal Market Act 2020 will enable the UK Government to invest in our communities across the UK in a variety of possible ways across all four nations. This includes delivering a UKSPF which allows the UK Government to invest directly in communities across our four nations.

113. Additionally, the Government has made clear at every opportunity that it intends to continue to work in partnership with the devolved administrations and local communities. This will make sure that this new power is used to best effect. We have demonstrated this commitment by confirming that the devolved administrations will have a place within the governance structures for the Fund.

114. Further detail will be set out with the publication of an investment framework in the spring.

24) *We recommend that local authorities are awarded powers and funding to take on an enhanced statutory role for mapping, commissioning and delivering adult skills and lifelong learning. The Department must carry out a comprehensive review of the powers and funding needed for local authorities to take on this role.*

(Response to recommendation 24, paragraph 123)

115. We recognise that local areas have a role to play in mapping, commissioning and delivering adult skills and lifelong learning. We have taken the approach to do this in respect of MCAs/GLA by devolving the AEB. The Department recognises that as mayoral

areas build their Local Industrial Strategies and begin to evidence local skills needs through their Skills Advisory Panels, devolving the AEB enables them to directly support adults in developing the skills that local employers need, reducing skills shortages, boosting productivity and economic prosperity and improving wellbeing in communities.

116. Government has devolved approximately half the AEB to 7 MCAs (Tees Valley, Liverpool City Region, West Midlands, Greater Manchester, Cambridgeshire and Peterborough, West of England and North of Tyne) and delegated to the Mayor of London (working where appropriate through the GLA) The authorities are now responsible for the provision of adult education and the allocation of the AEB in their local areas. In addition, Sheffield City Region and West Yorkshire are due to take on adult education functions from the 2021/22 academic year. We will continue to work with these regions to support their preparations for devolution.

117. We are committed to open dialogue with MCAs, GLA and other sector stakeholders on how best skills provision and reforms can be shaped to fit the needs of local areas.

118. We agree that technical skills provision is supporting the economy and must be responsive to local labour market needs, and that is why we will be piloting new employer-led Local Skills Improvement Plans. These plans will be created by employers and providers and will provide a framework to help colleges and other providers reshape what they offer to tackle skills mismatches and ensure that they are responding as effectively as possible to labour market skills needs. The plans will ensure a better match between the supply and demand for skills training, and being locally driven, can be tailored to the challenges and opportunities most relevant to the country's rural areas, towns and cities. We want to start piloting these Local Skills Improvement Plans across the country as soon as possible and so in early 2021 we will announce a group of Trailblazer local areas where we will invite accredited Chambers of Commerce and other business representative organisations to work closely with local providers to co-create the first Local Skills Improvement Plans.

119. As part of the Skills for Jobs White Paper, we outline our ambitions for a simplified and better targeted funding system. See paragraph 37 for more information on this.

120. In addition, Government will set up a new Strategic Development Fund to facilitate changes to provision that have been endorsed by local employers. The Fund will offer capital and revenue funding to help colleges respond to locally agreed priorities. Further information will be announced shortly.

Concluding remark

121. The Government is committed, now more than ever, to adult skills and lifelong learning; we have published the Skills for Jobs White Paper setting out our vision, and the Prime Minister has set out the Lifetime Skills Guarantee. We intend to continue working with employers, sectors, and local areas and learning through consultations. Any future funding will be agreed as part of the 2021 Spending Review.